

Marysville / FPD 12 Regional Fire Authority Committee

Meeting

Marysville City Council Chambers

September 27, 2018

5:00 p.m.

Welcome and Introductions

Mayor Nehring called the meeting to order at 5:00 p.m. and CAO Hirashima took roll call.

Marysville City Council:	Steve Muller, Kamille Norton, Mark James (Alternate)
Marysville CAO:	Gloria Hirashima
Marysville Finance Director:	Sandy Langdon
MFD Finance Manager:	Chelsie McInnis
Fire District 12 Commissioners:	Tonya Christoffersen, Rick Ross
Marysville Fire Chief:	Martin McFalls

Review of Agenda and Goals

Mayor Nehring stated the agenda and goals for tonight's meeting is primarily about running the scenarios for revenue source and a possible vote on the initial levy rate.

Approval of Meeting Summary

Mayor Nehring asked for approval, comments and or corrections to the meeting summary and the July 17, 2018 meeting minutes.

Motion made by Councilmember Muller, seconded by Commissioner Ross to approve the Meeting Summary and the May 24, 2018 meeting minutes. **Motion** passed unanimously.

Presentation of Financial Scenario Revenue Sources

Finance Manager Chelsie McInnis reviewed the Regional Fire Authority (RFA) Levy Funding Scenarios as prepared by herself and City Finance Director Sandy Langdon. Giving an over view of the presentation, McInnis stated we will be taking another look at the previously presented levy scenarios of \$1.90 and \$2.00 along with the added \$1.78

and \$1.95 scenarios followed by a summary. The expenditure levels are identical in all scenarios, capital facility infrastructure cost are not included in this model and the annual inflation factors have been set at 5% for assessed property value, 3% for general revenue, 4% for wages and benefits, and 1% for maintenance and operations. The charts represent the projected financial condition, or fund balance, of the proposed RFA over the 2019-2025 timeline. The charts show the zero line at which you are out of money, and the redline is representing the minimum fund balance based upon 4 months of estimated RFA expenditures in each year. This is a policy set by the RFA Board consistent with SAO best practice recommendation for fire districts. The top line is the actual fund balance. The cycle of levy management is shown on the tables with each of the charts indicating the year in which we know the EMS levy needs to be manipulated. We know an EMS levy vote is required in 2023 to replace the existing separate EMS levies of Fire District 12 and the City. The year we would need to address the regular levy lid lift would depend on the policy of the RFA and how this levy management would be defined.

The third page of the financial presentation shows the RFA tax payer liability based on a \$300k home value, illustrating what the estimated annual combined levy cost would be in 2020 based on each proposed levy rate.

Councilmember Norton asked what assumptions were made in the expenditure levels in regards to staffing and if they meet the needs of the department as indicated by the CPSM study results. McInnis stated there are four firefighter positions added annually with a gradual phase out of the part-time program. Chief McFalls added that the four annual increase in full-time firefighter positions replace the part-time positions incrementally across the seven years. We will strive to maintain our part-time program as long as we can and use those part-time members in the power shift as suggested in the study. Chief McFalls clarified that the projection fully addresses the staffing needs of the department. Norton also inquired as to the departments future capital needs. Chief McFalls shared the apparatus replacement schedule has not changed. The capital improvement plan includes either remodeling or rebuilding Station 61 and moving administrative staff from its current location. The City would take ownership of the administration building and the District would assume ownership of the footprint of Station 61. Closer to the end of the seven years, Station 63 and Station 65 would need to be remodeled. McInnis clarified that the apparatus replacement schedule is included in the projection, while building infrastructure costs are not.

Councilmember Muller asked about bond requirements and the financial strength of the organization. There is a concern over the bond rating being a new agency. Finance Director Langdon stated being a new agency we will not get a high rating. Based on the fund levels that currently exist, we will get a better rating than a lot of those new in the market. Your rating is based on current financials and existing debt. Though you will have reviews, that rating stays the same until you go out for another bond. We would need about two years of operation as an RFA before we could go out for a bond.

After much discussion over the RFA levy funding options, Mayor Nehring opened the floor for additional questions, comments, or a potential motion.

Motion made by Councilmember Muller, seconded by Commissioner Christoffersen to approve the \$1.95 fund level. **Motion** passes 4 to 1 with a majority from each body. Opposed by Councilmember Norton.

Communications Plan – Community Forum

PIO Christie Veley and Communications Officer Connie Mennie shared that following tonight's RFA meeting we will hold our first public forum for the RFA planning process. This will give the public the opportunity to ask questions and weigh in on the planning process. Veley shared the information materials prepared for tonight's forum with background information and our next steps moving forward. Finance Manager McInnis shared that this forum satisfies the RCW requirement of public input during the planning process.

Next Meeting

The next RFA meeting is scheduled for October 22, 2018, 6 p.m. at Marysville City Hall. It was requested that the RFA ballot measure date be added as a discussion item on the October 22, 2018 RFA Agenda.

Union Comment

Local 3219 President Cody Brooke thanked the RFA Committee for voting for the \$1.95 levy rate. This will allow the District to grow and address some key issues. Mayor Nehring thanked the members for attending and for participating throughout the process.

Closing Roundtable Comments

Councilmember James – Honored to be here this evening and happy to come to a resolution.

Councilmember Norton – Stated there was a time we didn't think we would be here. Happy to be moving forward. Thanked the staff for all the materials and time spent working.

Councilmember Muller – Happy to be here! People always questioned the process, in the end the process brought the best result. Thanked Chelsie and Sandy for tonight's financial presentation.

Commissioner Christoffersen – Thanked everyone. Expressed her respect for Councilmember Norton for the stand she took on the levy rate vote. Appreciates how well everyone worked together towards the greater good.

Commissioner Ross – Agreed with Commissioner Christoffersen. Where we are today is because of the leadership of the Council, the Mayor, and the Fire Department. Thanked staff for all they have done to help this process, they have been wonderful to work with.

Chief McFalls – Thanked Gloria, Sandy and Chelsie who all worked so well together. This could not have happened without them. Especially thanked the Council and the Commissioners.

Finance Manager Chelsie McInnis – Thanked everyone for their active participation and always having great questions.

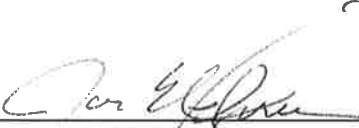
Finance Director Sandy Langdon – We're finally here! It took a while but we have a plan we can move forward with.

CAO Gloria Hirashima – We are almost there! Just a few more steps.

Mayor Nehring – Thanked both staffs for their years of hard work. Thanked the Council and Commissioners for the time they have put into this process. Both bodies have done a great job representing their constituents and arriving at a good decision. We are in good spot and will keep pressing forward. Mayor also thanked all the members at Marysville Fire for the work they do and their participation throughout the process.

Adjournment

The meeting was adjourned at 6:00 p.m.



Mayor Jon Nehring



Fire Chief Martin McFalls